



Economic Hardship Deferment Request

William D. Ford Federal Direct Loan Program
Federal Direct Stafford/Ford Loans, Federal Direct Unsubsidized Stafford/Ford Loans, Federal Direct PLUS Loans, Federal Direct Consolidation Loans

OMB No. 1840-0700
Form Approved
Exp. Date 02/28/98

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form shall be subject to penalties which may include fines, imprisonment or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

HRD
Economic Hardship

Borrower's Information

Please print legibly using blue or black ink.

Last Name	First Name	Middle Initial	Social Security Number
Street Address			Home Area Code/Telephone Number ()
City	State	Zip Code	

Section 1: Deferment Request

Must be completed by borrower. See definitions on the back of this form.

I meet the qualifications stated below for an Economic Hardship Deferment and request that the U.S. Department of Education (ED) defer repayment of my loan(s) beginning (MM-DD-YY)

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. Maximum cumulative eligibility is 36 months. Borrower must re-apply every 12 months.

My total monthly gross income (see Definitions) is \$_____. My adjusted gross income (see Definitions) is \$_____.

To qualify, I must meet one of the conditions listed below and provide the required documentation for only that condition.

- (i) I must have been granted an economic hardship deferment from the Federal Family Education Loan (FFEL) or Federal Perkins Loan Program for the period of time for which I am now requesting an economic hardship deferment from the William D. Ford Federal Direct Loan (Direct Loan) Program, and I must provide evidence of the deferment granted.
- (ii) I must be receiving payment under a federal or state public assistance program, such as Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), Food Stamps, or state general public assistance, and evidence of these payments must be provided.
- (iii) I must be working full-time (see Definitions) and my total monthly gross income from employment must be less than or equal to the larger of the monthly rates listed below. I must provide documentation of this income such as pay stubs.

	Monthly	Annual
(a) Federal Minimum Wage Rate (\$5.15 an hour)	\$ 892.66	\$ 10,712.00
(b) Poverty Lines for a Family of Two:		
- All States (except Alaska and Hawaii) including the District of Columbia	\$ 884.17	\$ 10,610.00
- Alaska	\$ 1,105.83	\$ 13,270.00
- Hawaii	\$ 1,016.67	\$ 12,200.00

- (iv) I must **NOT** be working full-time and must **NOT** be receiving from all sources, total monthly gross income that exceeds two times the larger amount listed in **iii** above for the state in which I reside. Additionally, after deducting the total monthly payments on all my federal postsecondary education loans in repayment, my income from all sources **STILL MAY NOT** exceed the larger of the monthly amounts in **iii** above. (Total monthly payments, adjusted, if necessary to reflect the minimum 10 year repayment period (see Definitions) will be calculated by ED, based on the information I provide below.)

The total amount I borrowed for all of my federal postsecondary loans now in repayment (including the loan(s) for which I am requesting deferment) is \$_____.

- (v) I must be working full-time, and the total amount of my annual payments on all my federal postsecondary education loans in repayment must be equal to or larger than 20% of my adjusted gross income. **Additionally**, after deducting the total amount of my annual payments on all my federal postsecondary education loans in repayment from my adjusted gross income, my income must be less than 220% of the larger of the annual amounts in **iii** above. (Total annual payments, adjusted, if necessary to reflect the minimum 10 year repayment period will be calculated by ED based on the information I provide below.)

The total amount I borrowed for all of my federal postsecondary loans now in repayment (including the loan(s) for which I am requesting deferment) is \$_____.

- If my economic hardship deferment is based on one of the conditions cited in (iv) and (v) above, I must provide ED with: (a) documentation of my most recent total monthly gross income from all sources, such as pay stubs, or documentation of my adjusted gross income and (b) documentation of the total amount I borrowed for all non-defaulted education loans, or eligible defaulted loans, that are now in repayment and that were obtained through a federal program.
- If my economic hardship deferment eligibility is based on one of the conditions cited in (iii), (iv), and (v) above and I am applying for an additional period of economic hardship deferment that begins less than one year after the end of my previous period of economic hardship deferment, I must provide ED with a copy of my latest federal income tax return (if one was filed within the preceding eight months).

Borrower Understandings and Certifications

I understand that: (1) My deferment will begin on the date the deferment condition began but no more than six months before the date ED receives this request; (2) ED will not grant this deferment request unless all applicable sections of this form are completed and any additional required documentation is provided; (3) Principal payments will be deferred, but if my loan(s) is not subsidized by the federal government, I am responsible for paying the interest that accrues; (4) If I do not choose to pay all interest that accrues during my deferment period, ED will capitalize (see Definitions) such interest to the extent permitted by law. This will increase the principal balance of my loan(s); and (5) If my deferment does not cover all my past due payments, ED may grant me a forbearance for all payments due before the begin date of my deferment.

I certify that: (1) The information provided in Section 1 above is true and correct; (2) I will provide additional documentation, as required, to ED to support my continued deferment status; (3) I will notify ED immediately when the condition(s) that qualified me for the deferment ends; and (4) I have read, understand, and meet the terms and conditions of the deferment for which I have applied.

Signature of Borrower _____ Date _____

Section 2 : Definitions/Eligibility Criteria for Economic Hardship Deferment Request

Definitions

- A **deferment** is a period during which I am entitled to postpone repayment of the principal balance of my loan(s). Interest does not accrue during an eligible deferment on Federal Direct Stafford/Ford Loans (Direct Subsidized Loans) or Federal Direct Subsidized Consolidation Loans (Direct Subsidized Consolidation Loans). I am responsible for the interest that accrues during this period on all other Direct Loan Program loans.
- **Gross income** is the amount of my compensation/income from my employer or any other source prior to deductions required by law being withheld.
- **Adjusted gross income** is the amount of my total annual income plus or minus any adjustments recorded on my Federal Income Tax Return.
- **Full-Time** employment is defined as working at least 30 hours per week in a position expected to last at least three months.
- **Minimum 10 year repayment period** refers to the period that is 10 years from the date I entered repayment regardless of the actual length of my repayment schedule. To determine if I am eligible for an economic hardship deferment, ED will estimate the payment amount that I would owe if my loan were scheduled to be repaid in fixed installments within this period.
- **Capitalization** is a process whereby ED adds unpaid interest to the principal balance of a loan(s).

Eligibility

Below you will find a list of federal postsecondary education loans that may be included in reporting the total amount you borrowed for items (iv) and (v) in Section 1.

- **Subsidized Loans**
 - Federal Stafford Loans (Subsidized)
 - Guaranteed Student Loans (GSL)
 - Federal Insured Student Loans (FISL)
 - Federal Direct Stafford/Ford Loans
 - Federal Direct Subsidized Consolidation Loans
 - Federal Perkins Loans
 - National Direct Student Loans (NDSL)
 - National Defense Student Loans (NDSL)
 - Federal Consolidation Loans
 - Federal Direct Unsubsidized Consolidation Loans
 - Federal Direct Unsubsidized Stafford/Ford Loans
 - Auxiliary Loans to Assist Students (ALAS)
 - Health Professions Student Loans (HPSL)
 - Health Education Assistance Loans (HEAL)
 - Federal PLUS Loans
 - Parent Loans for Undergraduate Students (PLUS)
 - Federal Direct PLUS Loans
 - Federal Direct PLUS Consolidation Loans
 - Other Loans made under Subpart II of Part A of Title VII of the Public Health Service Act and Subpart II of Part B of Title VIII of the Public Health Service Act
- **Unsubsidized Loans**
 - Federal Stafford Loans
 - (Unsubsidized - made on or after 10/1/92)
 - Federal Supplemental Loans for Students (SLS)

Important Notices

Privacy Act Notice

The Privacy Act of 1974 (5 U.S.C.552a) requires that the following notice be provided to you. The authority for collecting the information requested on this form is §451 *et seq.* of the Higher Education Act of 1965, as amended. Your disclosure of this information is voluntary. However, if you do not provide this information, you cannot be considered for a deferment. The information on this form will be used to determine your eligibility for a deferment of repayment of your Direct Loan Program loan(s). The information you provide may be disclosed to federal and state agencies, private parties such as relatives, present and former employers and creditors, and contractors of the Department of Education for purposes of administration of the student financial assistance program, for enforcement purposes, for litigation where such disclosure is compatible with the purposes for which the records were collected, for use by federal, state, local, or foreign agencies in connection with employment matters or the issuance of a license, grant, or other benefit, for use in any employee grievance or discipline proceeding in which the Federal Government is a party, for use in connection with audits or other investigations, for research purposes, for purposes of determining whether particular records are required to be disclosed under the Freedom of Information Act, and to a Member of Congress in response to an inquiry from the congressional office made at your written request.

Return this form and any required documentation to the Direct Loan Servicing Center.

If you need to confirm the Direct Loan Servicing Center's address or require assistance with completing this form, call 1 (888) 447-4460.

Paperwork Reduction Notice

The time required to complete this information collection is estimated to average 0.2 hours (12 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:** U.S. Department of Education, Washington, DC 20202-4651. **If you have any comments or concerns regarding the status of *your individual submission* of this form, write directly to the Direct Loan Servicing Center.** If you need to confirm the Direct Loan Servicing Center's address, call 1 (888) 447-4460.